

September 18, 2019

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Womble Bond Dickinson (US) LLP

1221 Main Street
Suite 1600
Columbia, SC 29201

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Re: South Carolina Energy Freedom Act (House Bill 3659)
Proceeding Related to Dominion Energy South Carolina,
Incorporated and S.C. Code Ann. Section 58-41-30 Related
to Electrical Utilities and Their Current Voluntary
Renewable Energy Program, and Such Other Proceedings
Required By the Commission
Docket 2019-209-E

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VIA ELECTRONIC FILING

Dear Ms. Boyd:

On September 13, 2019, Dominion Energy South Carolina, Inc. (“DESC”) filed with the Public Service Commission of South Carolina (the “Commission”) a rate rider (“Rider”) embodying its Voluntary Renewable Energy (“VRE”) program in satisfaction of the requirements of S.C. Code Ann. § 58-41-30. Since that time, DESC has engaged in discussions with the Office of Regulatory Staff (“ORS”) and the South Carolina Solar Business Alliance (“SCSBA”) to better understand other parties’ concerns about the Rider as drafted. As a result of those discussions, DESC herewith files an amended version of the Rider (the “Amended Rider”) which responds to the concerns raised by those parties.

In summary, the Amended Rider:

1. Deletes any reference to the Company itself providing renewable generation to customers under the terms of the Amended Rider.
2. Allows a renewable energy supplier (the “Supplier”) to be paid avoided energy and capacity costs levelized over the term of the PPA.
3. Provides for the direct payment of avoided energy and capacity costs to the Supplier by the Company rather than having those payments come from the customer to the Supplier with the customer receiving a bill credit from the Company for them as originally envisioned.
4. Provides that the Company will pay the Supplier for charges for the renewable energy resource that exceed the avoided energy and capacity costs (the “RS-Costs”). This payment will take the form of an assignment to the Supplier of the amounts paid by the customer to the Company for RS-Costs. In this way, other customers will not be liable for any costs above avoided cost in case the customer does not pay them.

5. Amends the assignment rights and termination rights under the relevant agreements to meet concerns expressed by the SCSBA.

The Amended Rider fully meets the requirements of S.C. Code Ann. § 58-41-30. If adopted, the Amended Rider would constitute a just and reasonable rate for DESC's renewable supply customers. It would also align the DESC program with the framework approved for other utilities operating in North and South Carolina thereby furthering consistency among these programs.

DESC believes that the Amended Rider resolves all the issues that have been raised to date by the parties concerning the Rider and understands that ORS and the SCSA intend to communicate their positions regarding the Amended Rider by separate letter. The Company respectfully requests the Commission to suspend the pre-filed testimony dates and the hearing date in this matter to allow all parties the opportunity to comment on the Amended Rider. Considering the current posture of the matter, the Company believes that the docket can be resolved based on written comments, and no hearing will be necessary.

Pursuant to S.C. Code Ann. § 58-27-870(F),

the commission may allow rates or tariffs to be put into effect without notice and hearing upon order of the commission when such rates or tariffs do not require a determination of the entire rate structure and overall rate of return, or when the rates or tariffs do not result in any rate increase to the electrical utility, or when the rates or tariffs are for experimental purposes, or when the rates or tariffs so filed are otherwise necessary to obtain an orderly rate administration.

Authorization of the Amended Rider does not require a determination of the entire rate structure and overall rate of return of DESC, nor does it involve any rate increase to the utility. Therefore, it would be within the authority of the Commission to authorize the Amended Rider on the paper record and without an evidentiary hearing.

Therefore, the Company respectfully requests the Commission to suspend the pre-filed testimony dates and the hearing in this matter, set a due date for other parties' comments on the Amended Rider and any response by the Company to those comments if necessary, and then proceed to decide the matter based on the paper record.

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Respectfully submitted,

/s/Belton T. Zeigler

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cc: All counsel of record